



State of Utah

DEPARTMENT OF COMMERCE
Committee of Consumer Services

Minutes of the Meeting of the Committee of Consumer Services Held in Room 4A of the Heber M Wells Building, Salt Lake City, on 20 May 2003

Dee Jay Hammon called the meeting to order at 9:35am in Room 4A.

Members of the Committee in Attendance:

Franz Amussen	Kent Bateman	Kelly Casaday
Candace Hammer	Dee Jay Hammon	Betsy Wolf

Staff in Attendance:

Roger Ball	Kelly Francone	Dan Gimble
Leah Lindstrom	Cheryl Murray	Jenny Nones
Eric Orton	Reed Warnick	

Members of the Public in Attendance:

Lowell Alt	Dave Anderton	Glenn Bluemel
Marlene Cook	Chuck Greenhawt	Barrie McKay
Glenda Stewart	John Stewart	Kathy Van Dame
Al Walker		

1 Administrative Matters

1.1 Welcome and Apologies for Absence

Dee Jay Hammon welcomed all those attending the meeting.

1.2 Minutes of Previous Meetings

Kent Bateman proposed that the minutes of the meeting of 8 April 2003 be approved. Betsy Wolf seconded the proposal, which passed unanimously.

1.3 Dates and Locations of Next Meetings

The next meeting of the Committee will be held on Tuesday, 29 July, commencing at 9:30 am until 2:30 pm, in Room 4A of the Heber M Wells Building. The following meeting is scheduled

for Tuesday, 2 September, at the same time and in the same location.

1.4 ASPA

The Utah Chapter of the American Society of Public Administration will present its Boards and Commissions Award of Excellence to the Committee at a luncheon on Friday, 6 June.

2 Gas

2.1 Integrated Resource Plan

Al Walker of Questar Gas gave a presentation explaining the Integrated Resource Planning process that the Company uses to guide its gas purchases.

2.2 June 2003 Pass-Through Case

Barrie McKay of Questar Gas informed the Committee that, based on current projections, the June 2003 Pass-through Case would be filed with a 12 to 15% increase.

2.3 Future General Rate Case

Barrie McKay of Questar Gas said that the Company will not be filing a Rate Case in 2003.

2.4 Demand Side Management

Eric Orton gave an overview of the DSM Task Force, including the proposed schedule.

2.5 Weatherization

Kelly Francone outlined the status of the weatherization efforts overseen by the Department of Community and Economic Development (DCED).

3 Telecommunications

3.1 Central Utah Telephone Centenary

Dee Jay Hammon gave an informative overview of the 100th anniversary and Open House of the Central Utah Telephone Company held in Fairview, Utah on Friday, 9 May 2003.

3.2 Uintah Basin Extended Area Service

Roger Ball welcomed Glenda Stewart and Marlene Cook, representing the Uintah Basin Telephone Association, and described developments regarding the proposed expanded EAS plan.

4 Electricity

4.1 Huntington Power Plant and Deer Creek Mine Visit

Kelly Casaday described in detail his experience at both the Huntington Power Plant and the

Deer Creek Mine. He expressed appreciation to PacifiCorp for making such a useful learning experience available.

4.2 Jim Bridger Mine Visit

Reed Warnick gave an informative overview of the Jim Bridger Mine tour and expressed appreciation to PacifiCorp for arranging it.

4.3 Rate Case

John Stewart of PacifiCorp gave a presentation on the purpose and details of the PacifiCorp Rate Case, which was filed on 15 May 2003.

4.3.1 Further Consideration of Several New Contracts

Kent Bateman proposed that the Committee enter into four sole source contracts, each with a termination date of 30 September 2004, with:

Larkin & Associates for the amount of \$105,800 to examine revenue requirement and accounting issues;

Hayet Power Systems Consulting for the amount of \$73,650 to examine power cost issues;

Hill & Associates for the amount of \$56,300 to examine fuel cost issues; and

Yankel & Associates for the amount of \$48,250 to examine cost of service and rate design issues.

Franz Amussen seconded the proposal and it passed unanimously.

4.4 Demand Side Management

4.4.1 Cool Cash

Cheryl Murray described the program as one that offers cash incentives to encourage customers to select evaporative cooling in preference to central air conditioning and to select high efficiency central air in preference to standard units.

4.4.2 Cool Keeper

Cheryl Murray explained that the Cool Keeper Program is designed to help PacifiCorp manage the growth of weather-driven peak loads.

4.4.3 Residential Refrigerator Recycling

Cheryl Murray outlined the program in which Utah residential customers would be incented to discontinue their use of second refrigerators and freezers, and/or to replace their primary refrigerators and freezers with new, more energy-efficient models.

4.4.4 Further Consideration of a New Contract

Franz Amussen proposed that the Committee enter into a contract with MSB Associates for the amount of \$78,570 and with a termination date of 30 September

2004 for expert assistance, advice, and perhaps testimony in the PacifiCorp DSM Tariff Schedule Case. Betsy Wolf seconded the proposal and it passed unanimously.

4.5 Depreciation

Dan Gimble said that, after examining the PacifiCorp depreciation filing, the Committee team had concluded that a decrease in rates was justified. A settlement had been reached which is expected to result in Utah customers' bills being \$6M lower than they otherwise would.

4.6 Multi-State Process

4.6.1 Consideration of a Contract Amendment

Betsy Wolf proposed that the Committee allocate an additional \$78,820 – for a total of \$241,820 – to the SRP contract with Synapse Energy Economics. Candace Hammer seconded the proposal and it passed unanimously.

4.7 Electric Supply Agreement with Nucor Steel

Dan Gimble updated the Committee on the Electric Supply Agreement with Nucor Steel and indicated that the Commission approved the stipulation in a bench order on 8 May 2003.

4.8 Quantum Leap

Cheryl Murray explained that the Quantum Leap Project is designed to meet PacifiCorp's current capacity and reliability needs.

4.9 Competitive Bidding & Affiliate Issues

Kelly Francone explained to the Committee that, since HB251 did not pass during the Legislative session, on 6 March 2003, fourteen companies, associations and government agencies, led by the Utah Association of Energy Users (UAE), petitioned the Commission to adopt requirements for affiliate transactions and open, competitive bidding acquisitions by PacifiCorp.

4.10 Interruptible Tariffs

Cheryl Murray explained that the Public Service Commission created an Interruptible Task Force to determine the value received by PacifiCorp when large customers are willing to have their loads interrupted in whole or in part for various periods of time.

5 2003 Legislative Interim

The Public Utilities and Technology Interim Committee will next meet on Wednesday, 21 May. Kelly Francone has been monitoring the schedules to keep the Committee informed of meetings of interest to the Committee.

6 Other Business

A retirement party for Commission Chairman Steve Mecham will be held on Friday, 30 May. Franz Amussen described "The Basics" course, organized by New Mexico State University's Center for Public Utilities, that he and several staff members had attended during April. He expressed appreciation to the Center for making such a useful learning experience available.

7 Closed Meeting

Franz Amussen proposed that the Committee go into executive session to discuss pending or reasonably imminent litigation issues. Kent Bateman seconded the proposal and it passed unanimously.

Kent Bateman proposed that the Committee return to open session. Franz Amussen seconded the proposal and it was unanimously passed.

8 Motions on Matters Discussed in Closed Meeting

Franz Amussen proposed that the Committee request the Commission to reconsider its order in the EAS case. Kent Bateman seconded the motion and it passed unanimously.

9 The Committee: Its Function and its Future

Franz Amussen proposed that the meeting adjourn. Candace Hammer seconded the proposal and the meeting ended at 2:10pm.